ForexClear

A Global Leader

LCH The Markets' Partner

ForexClear

ForexClear is LCH's leading foreign exchange clearing solution for deliverable and non deliverable FX products. As the leading provider of OTC FX clearing services, ForexClear works closely with market participants to develop innovative products that meet the growing global demand for OTC FX clearing, delivering unmatched capital, margin and operational efficiencies, and enhanced risk management.

FOREXCLEAR AT A GLANCE

Deliverable FX

8

currency pairs, clearing all forwards, spots and options

Non Deliverable FX

12

emerging market Non Deliverable Forward (NDF) currency pairs

5

G10 NDF currency pairs

Availability

24

hours

Tenors

1

day out to

2

years

KEY BENEFITS

ForexClear is supported by global regulatory encouragement to clear OTC FX derivatives and delivers the following benefits to participants:

Margin Reductions

01. Lower margin requirements through multilateral netting
02. No requirement to rely on uncleared margin models

Capital Optimisation

01. Reduction in RWAs resulting from lower risk weightings for CCP exposure
02. Unilateral (solo) compression reduces the number of line items and gross notional, and further reduces capital requirements
03. Improved leverage ratio impact

Operational Efficiencies

01. One margin model
02. One price, one payment
03. No disputes on initial and variation margin prices
04. Reduced operational risk

DELIVERABLE FX CLEARING*

In collaboration with CLS and major market participants, ForexClear has pioneered the clearing of deliverable FX. This is the industry's first physical FX settlement service for cleared FX products, and it offers the following benefits:

Reduced settlement and counterparty risk

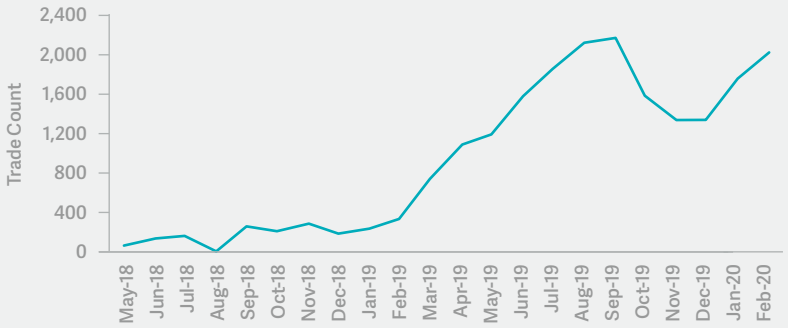
Increased margin, capital and operational efficiencies

Physical delivery for FX forwards, spots and options in eight major currency pairs:

EURUSD	USDJPY	USDCHF	AUDUSD
GBPUSD	EURGBP	EURJPY	EURCHF

**Members only*

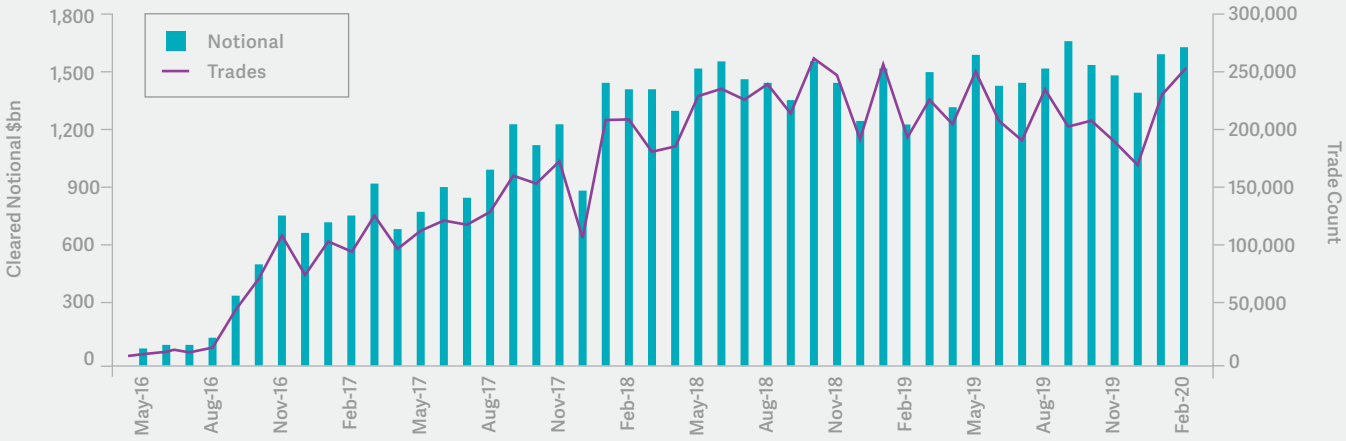
Deliverable Service



EXPONENTIAL NDF GROWTH

ForexClear has seen dramatic growth in cleared NDF volumes since the phase in of the Uncleared Margin Rules in 2016. As of February 2020, the service clears around USD 81 bn average daily volume of NDFs, clearing approximately half of all interbank NDF volumes.

Non Deliverable Service



COMING SOON TO FOREXCLEAR

Non deliverable options (EM & G10) pairs – available for clients and members**

***Subject to regulatory approval*

CONTACT US

UK	+44 (0)20 7392 8311	**Email**	globalforexclearsales@lch.com
US	+1 212 513 5617	**Website**	lch.com/services/forexclear
APAC	+61 (2) 8259 4109		

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